GRUMMAN DAILY EDITION
plane news
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Court of Appeals rules in Grumman's favor

Grumman won a major — and perhaps decisive—battle on Friday when the U.S. Court of Appeals for the Second Circuit ruled that a takeover by LTV would probably violate Federal antitrust laws.

The three-judge panel decided unanimously to uphold the preliminary injunction issued on Oct. 14 by Judge Jacob Mishler prohibiting LTV from soliciting or purchasing any Grumman shares.

Although it is too early for Grumman to declare victory, the ruling appears to be a major setback for LTV's bid. The Dallas-based conglomerate issued only a brief statement on Friday, saying that it was "disappointed" by the court's ruling, but that it would not make a final decision on whether to continue with its takeover bid until it had a chance to review the ruling. Further comment is expected today.

LTV still has several options: it could appeal to the Supreme Court, or it could argue its case through a potentially lengthy trial in district court. If either of these measures was to succeed, it would be free to make a new offer.

However, on October 30, LTV spokesman Julian Scheer told *Newsday*, "Unless something changes dramatically, an unfavorable decision by the Second Circuit would be tantamount to ending the effort."

Many Long Island Grummanites heard the good news about the Court of Appeals ruling on Friday at about 4:10 p.m. when George Skurla made the announcement over the public address system. Although the news was encouraging, Grumman must still deal with other problems related to the takeover attempt.

In a suit filed in U.S. District Court in Uniondale on November 9, the Securities and Exchange Commission (SEC) charged that Grumman violated the Securities Exchange Act of 1934 by allegedly having made false and misleading statements in its efforts to defeat the LTV takeover bid.

The SEC charges that Grumman failed to tell its shareholders and the investing public that the real reason its pension plan purchased over a million shares of Grumman stock was to keep it out of LTV's hands.

Grumman contends that it complied fully with the law, and denies that it misstated any facts. The company also denies further SEC allegations that it urged the Madison Fund, a publicly held investment company, to purchase Grumman stock in order to keep it "in friendly hands."

No court date has been announced.

The company is also awaiting decision in the Department of Labor (DOL) suit against the trustees of the Grumman pension plan. The DOL charges that the trustees failed to act prudently and with the plan's best interests in mind when they purchased 1,160,000 shares of Grumman stock. Judge Jacob Mishler presided over the hearing in U.S. District Court in Uniondale on October 30.

November 13, 1981 — Grumman shares closed at 28 ½ today, down 1/8; approximately 56,000 Grumman shares were traded.

Grumman's Chairman likes what he hears

"It's exhilarating," Jack Bierwirth said Friday when he heard the news of the U.S. Court of Appeals decision. "It's like feeling you can breathe again.

"This is wonderful news for all of us at Grumman and for all the people who have helped keep Grumman independent."

Grummanites carry their cause to Washington

Kathleen Chew of Grumman Data Systems took a vacation day last Thursday. She went to Washington on business with five other Grummanites.

They paid their own $118 round trip fare to bring the point home to officials in the nation's capital that Grummanites were behind their company.

"I think we got the message across. I don't know what kind of impact we had but we made our presence known," she says.

Their main objective in going to Washington was to deliver copies of the 18,000 signatures that had been collected in support of the actions of the trustees of the Grumman pension plan. The Department of Labor is suing the trustees, claiming they failed to act prudently and with the plan's best interests in mind when they purchased 1,160,000 shares of Grumman stock.

The petitioners, however, dispute the Department of Labor's allegations. Joe Ullman, one of the six members of the committee, brought the petitions to Eastern District Court on October 30 to try to join the suit on behalf of the trustees. Judge Jacob Mishler accepted them as evidence in the suit.

Now the petitions are also in the hands of Labor Secretary Donovan.

"We told the Department of Labor that we feel they're spending their money foolishly," says Tony Pancella, another member of the committee who went to Washington. "They just stepped in and never asked us, the Grumman employees."

Labor was not the first stop on what Chew calls their "whirlwind tour of Washington."

The six Grummanites—Chew, Pancella, Lillian Baldissard, Benjamin Crews, Rita Hafner, and Joe Ullman—landed in Washington at 9:30 in the morning. An hour later they met with members of the Long Island Congressional Caucus.

Representative Norman Lent had his administrative assistant, John Pontius, take the Grummanites to the Labor Department. There they met with Larry Brinker, one of Secretary Donovan's congressional liaison officers. Brinker delivered the petitions to the Secretary's office.

The committee has had legal counsel in their fight to aid the trustees. "The legal fees have been high," said Pancella, "but Grummanites are now coming to our aid."

According to Pancella, Grummanites have begun to send money to him and others on the committee to pay the legal expenses incurred to get the petitions entered into the case.

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Published to keep you informed about the unsolicited takeover attempt.

Questions or comments? Contact us.

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